



Interest Rate Outlook

How higher rates will affect your portfolio

Interest rates have always played a part in the pricing of stocks and bonds. With multiple rate hikes looming, the outlook for stocks has shifted and investors are adjusting their capital allocation. Regardless of whether the stock market moves up or down, there are changes you can make to increase long-term profits. Investing in specific sectors and rebalancing your portfolio of Bowser stocks are the easiest ways to adapt to the changing market conditions.

Rates vs. Stocks

Before diving into which stocks and sectors to buy, it is important to understand how rising rates impact the stock market. The Federal Reserve is expected to hike interest rates six more times over the next year to combat inflation. Until we start seeing inflation slow down, consumer spending should remain high and plenty of stocks can still outperform.

There is a popular misconception that higher rates crush stocks which stems from how stocks performed during the last two recessions. Below is a table showing the S&P 500's performance during rate hike cycles:

Rate Hike Cycle Start	Rate Hike Cycle End	S&P 500
2/3/1994	7/5/1995	14%
3/24/1997	9/28/1998	33%
6/29/1999	1/2/2001	-5%
6/29/2004	9/17/2007	30%
12/15/2008	7/31/2019	243%
Average %		63%
Median %		30%

The S&P 500 alone disproves the theory that stocks underperform during rate hike cycles. It is also worth noting that stocks had larger drawdowns during these periods and managed to bounce back. Small cap stocks have a high correlation with the S&P 500, which implies that subscribers can rebalance their portfolios to benefit from rising rates.

Keep in mind that if the anticipated rate hikes do not sufficiently slow inflation, there is a moderate risk of recession.

Rebalancing

Regardless of interest rates, there is no need to overcomplicate your portfolio management. One of the most important parts of the Bowser Game Plan is the suggestion for subscribers to hold at least 8-12 stocks in their portfolio. This limits risk from any large drawdowns from an individual stock or small group of stocks.

Anytime you are evaluating the overall risk of your portfolio, balancing growth and value is vital. While value stocks are not as exciting, they tend to outperform long-term. Additionally, many of our value recommendations pay dividends. Regardless of the market conditions, neither growth nor value stocks should ever exceed more than 70% of your portfolio. Below is a table of each Bowser stock's classification:

Growth	Growth/Value Mix	Value
BUKS	CFBK	ARC
CTHR	CLNE	ATGN
ENG	CLRO	BABB
FLNT	DSWL	BGCP
FPAY	DYNT	CYAN
GLXZ	GASS	IBAL
IVFH	GVP	MACE
MMMB	KTEL	MNDO
MRMD	NVFY	
OESX	PALT	
OSS	TBTC	
PRKA	TPCS	
RVP	TSSI	
SB	VATE	
SGRP	WYY	
TOMZ		
WAVD		
WLMS		
YCBD		

Most of our recommendations are either growth stocks or a mix of growth and value. Subscribers

Continued on page 2...

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can use this information to rebalance their portfolios accordingly to a mix of both types of stocks during the rate hike cycle. Ideally, a portfolio of 12 stocks would have no less than four holdings from any one category.

Buying Stocks

The question remains: which stocks perform best during rate hike cycles? Naturally, investors assume banks will outperform. While this can be true, high consumer spending counteracts the strength from banks and weakness from real estate.

The hot groups to watch in this rate hike cycle are travel, insurance, industrials and energy. However, investors must keep in mind recent performance when buying stocks in these groups to avoid overpaying for shares. More expensive sectors, such as technology, offer higher growth, but history tells us that underpriced stocks are the best buys.

Investors flock to cheap stocks during rate hike cycles. The higher the price/earnings (P/E) ratio, the less appealing. The popular generalization is to avoid stocks with a ratio above 10.

Lastly, it is important to note that companies with strong balance sheets have drastically outperformed during rate hike cycles. Goldman Sachs analysts found that stocks with strong balance sheets outperformed by an average of 24% during rate hike cycles. This is generally because higher rates hurt bottom line results, which can be problematic for companies with substantial debt.

Bowser Stocks to Watch

With the above criteria in mind (mix or value stocks with P/E ratio under 10 and a strong balance sheet), here are a few Bowser stocks to keep an eye on and even consider investing in:

Market Overview

BWSR AVG ↑ 2.4%	S&P 500 ↑ 3.7%	DOW JONES ↑ 3.3%	NASDAQ ↑ 3.0%	RUS 2000 ↓ 0.3%
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Market Sentiment:

Bull Market in correction since 01/24/22

Equities had their first major rally from the February low following the first rate hike since 2018. With more rate hikes on the way, sector rotation should play a significant role in determining returns. All-in-all, stocks gained slightly and commodities pulled back as volatility eased.

Bowser stocks (up 2.4%) gained despite relative weakness from small stocks as a whole. Many of this month's top gainers were bottom bouncers with positive news. **Williams Industrial (WLMS)** and **GSE Systems (GVP)** both continued their bounces from recent lows following strong quarterly earnings.

- **BAB, Inc. (BABB)** is a value stock with a P/E ratio of just over 10 (10.6 to be exact), a current ratio of 2.1, no long-term debt and a 4.2% annual dividend yield, but a low Bowser Rating (NR);
- **Dynatronics (DYNT)** is a growth/value mix with a P/E ratio of 9.5, a current ratio of 2.4 and just \$5,000 in long-term debt;
- **GSE Systems (GVP)** is a growth/value mix with a P/E ratio of 3.6 and no long-term debt, but a current ratio of just 1.3 and a low Bowser Rating (7); and
- **MIND C.T.I. (MNDO)** is a value stock with a P/E ratio of 9.6, a current ratio of 3.6, no long-term debt and a 9.3% annual dividend yield.

In conclusion, market sentiment is shifting because the Federal Reserve will raise rates over the next year. Investors can increase returns during rate hike cycles by focusing on cheaper companies with healthy balance sheets. A simple portfolio rebalancing to avoid overexposure to growth or value in combination with buying cheap stocks should significantly boost profits over time.

The Bowser Game Plan

1. DO NOT PAY more than \$3/share for a stock.
2. CREATE A PORTFOLIO of 12 to 18 stocks. **Diversification is important.**
3. DO NOT SELL when a stock goes above \$3/share and is moved to Page 5.
4. DO NOT SELL when a stock moves to a lower category.
5. SELLING PLAN: Sell half of your holdings when the stock doubles from your purchase price. Sell the remainder after the stock drops 25% from its most recent high. If the stock drops 50% without doubling, sell all shares.
6. RECORD proceeds from sales.
7. PORTFOLIO EVALUATION = current value of portfolio + proceeds from sales

COMPANY OF THE MONTH

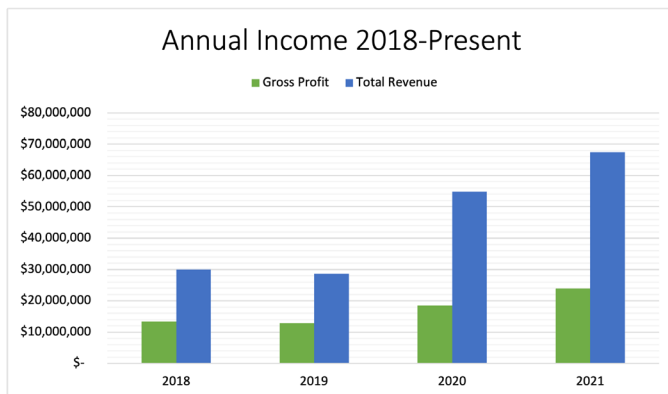
Siebert Financial (SIEB) engages in the retail discount brokerage and investment advisory businesses. It offers discount brokerage services, market making services, retail execution services, a robo-advisor platform and a data technology platform for market data, serving customers through 18 branch offices.

The company has been a member of the New York Stock Exchange since 1967 and its late founder, Muriel Siebert, was the first woman to become a member of the Exchange. In 2016, the company came under new ownership in order to modernize its services and build upon its substantial client base.

Income Breakdown

Siebert Financial reported a strong revenue performance in 2021 and is quickly transforming into a growth stock. This performance was driven by its Securities Finance and Market Making divisions, which achieved year-over-year revenue growth of almost 200%.

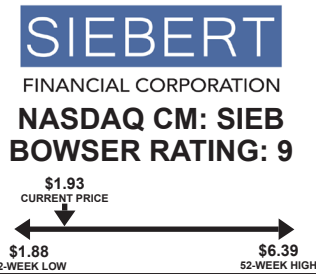
Revenue has steadily grown long-term, ramping up in recent years. Below is a chart showing annual revenue and gross profit since 2018:



SIEB has consistently reported healthy top and bottom line growth. Both gross profit and revenue surged in 2020 and maintained momentum again in 2021. Revenues from the company's investment advisory subsidiary, NXT, also contributed to these results, which increased 46% yoy.

Yearly net income started to rise again and jumped to \$5 million in 2021, up 69% from the prior year period. Pre-tax income reached its highest level since 2018 and EPS totaled \$0.16 in 2021.

Despite this phenomenal growth, SIEB's share price has cut in half since 2018 and the stock



is trading near its four-year low. Top and bottom line results contradict the decline in share price and show that the value creation is going unrecognized. This creates an opportunity to get a discount on a promising growth and value investment.

Financials and Valuation

Siebert has an unusual financial situation due to its paid lending program. This has substantially increased the assets and liabilities on its balance sheet, making standard financial metrics irrelevant. This unique financial structure is actually very common for brokerages and poses minimal risk through loaning and borrowing securities.

Aside from these securities, the company has \$3.7 million in cash and \$6.7 million in long-term debt. This debt is not a red flag given the company's high revenues and positive cash flow.

Working capital totaled \$28.9 million in 2021. This adds to the company's liquidity and gives it wiggle room to expand and capture market share. For example, SIEB recently purchased an office in Miami Beach, Florida, to expand its presence in the greater Miami area. Being able to expand and make synergistic acquisitions is vital for brokerage firms, and SIEB's balance sheet enables this long-term growth.

The company's value has been increasing steadily and with its low share count, a continued rise in EPS will skyrocket its underlying value. The hype surrounding blockchain stocks caused a brief overvaluation of the stock in 2021, but it has since come down to a more appealing price.

Based on its value metrics, SIEB is undervalued relative to its competitors. Both its Price/Book (P/B) and Price/Sales Ratio (P/B) are roughly half of the industry average, representing a severe undervaluation. Its Price/Earnings (P/E) ratio of 11 reaffirms our thesis but also indicates slower earnings growth. With its recent ramp up in EPS,

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	2019	2020	2021
REVENUES	\$42,777,000	\$54,872,000	\$67,507,000
INCOME (LOSS)	\$3,236,000	\$2,975,000	\$5,063,000
WORKING CAPITAL	\$14,978,000	\$22,687,000	\$28,851,000
BOOK VALUE	\$1.08	\$1.23	\$1.57
TOTAL SHARES	30,455,962	30,637,794	31,316,119
FLOAT	N/A	N/A	10,250,000

MINIPRICED STOCKS IN BUYING RANGE

SYMBOLS: (A) NYSE MKT; (CM) NASDAQ CAPITAL MARKET, WAS THE SMALL CAP MARKET; (GM) NASDAQ GLOBAL MARKET, WAS NATIONAL MARKET; (N) NEW YORK STOCK EXCHANGE; (NR) NOT RATED; (QB) OTC QB MARKET; (QX) OTC QX MARKET; # PREVIOUSLY APPEARED ON LIST, BUT WAS REMOVED BECAUSE IT HAD RISEN ABOVE \$3.00/ SHARE; FIGURES IN PARENTHESIS ARE LOSSES.

Date of Recommend & Market	Issue/Trading Symbol	Principal Business	Price 04/08/22	Long-term Debt (Millions)	Sales Updated Quarterly (Millions)	Income/Loss Updated Quarterly (Millions)	Shares Outstanding (Millions)	Bowser Rating
CATEGORY ONE: BEST COMPANIES (RATED 10+)								
03/22(CM)	CYANOTECH (CYAN)	NOW ABOVE \$3 PER SHARE; SEE PAGE 5 (FOLLOW-THROUGH)						
05/21(QB)	KONATEL, INC. (KTEL)	TELECOM SERVICES	1.00	\$0.150	\$11.5	\$0.404	40.9	10
# 02/21(GM)	MIND C.T.I. (MNDO)	BILLING & CUSTOMER CARE SOFTWARE	2.79	\$0.000	\$26.3	\$5.947	20.0	10
# 01/21(A)	WILLIAMS INDUSTRIAL (WLMS)	CONSTRUCTION/MAINTENANCE SERVICES	1.89	\$30.328	\$305.0	\$2.743	26.2	11
CATEGORY TWO: GOOD COMPANIES (RATED 8-9)								
02/20(QB)	BUTLER NATIONAL (BUKS)	AEROSPACE AND DEFENSE PRODUCTS	0.94	\$44.797	\$68.7	\$7.002	75.4	8
# 08/21(CM)	CHARLES & COLVARD (CTHR)	FINE JEWELRY	1.52	\$0.000	\$43.2	\$11.412	30.3	9
09/21(CM)	CLEARONE, INC. (CLRO)	VOICE AND VISUAL COMMUNICATIONS	0.95	\$2.291	\$30.3	\$0.139	19.5	9
11/21(CM)	DYNATRONICS (DYNT)	MEDICAL DEVICES	0.75	\$0.000	\$46.5	\$1.360	17.7	9
# 03/20(CM)	FLEXSHOPPER (FPAY)	VIRTUAL LEASE-TO-OWN MARKET	1.55	\$53.812	\$125.4	\$3.273	21.6	9
12/14(QB)	INT'L BALER CORP. (IBAL)	BALING EQUIPMENT	1.61	\$0.000	\$12.3	\$0.312	5.2	9
# 04/17(QB)	MAMAMANCINI'S (MMMB)	FOOD PRODUCTS	1.82	\$0.000	\$42.1	\$3.485	35.7	8
# 11/19(CM)	ORION ENERGY SYSTEMS (OESX)	LED LIGHTING SYSTEMS	2.65	\$0.023	\$137.8	\$29.395	31.1	8
02/22(CM)	PALTALK, INC. (PALT)	COMMUNICATION SOFTWARE	2.51	\$0.000	\$13.3	\$1.324	9.8	9
04/22(CM)	SIEBERT FINANCIAL (SIEB)	BROKERAGE/INVESTMENT ADVISORY	1.93	\$6.710	\$67.5	\$5.063	31.3	8
CATEGORY THREE: SPECULATIVE COMPANIES (RATED 7 AND BELOW AND/OR NON-PROFITABLE)								
02/18(QB)	ALTIGEN COMMUNICATION (ATGN)	CLOUD-BASED IP SOLUTIONS	1.39	\$0.000	\$11.1	(\$0.536)	23.8	9
10/19(QB)	BAB, INC. (BABB)	FAST CASUAL RESTAURANT FRANCHISES	0.95	\$0.000	\$3.1	\$0.381	7.3	NR
# 10/20(A)	CBDMD, INC. (YCBD)	SELL RECOMMENDATION; SEE BELOW						
# 07/20(CM)	ENGLOBAL CORP. (ENG)	ENGINEERING SERVICES	1.16	\$1.035	\$36.4	(\$5.685)	35.2	7
# 11/20(GM)	FLUENT, INC. (FLNT)	DIGITAL MARKETING SERVICES	1.72	\$40.329	\$329.3	(\$10.059)	79.3	10
# 12/18(CM)	GSE SYSTEMS (GVP)	DATA ACCESS AND MANAGEMENT	1.90	\$0.000	\$55.2	\$10.607	20.9	7
10/17(QB)	INNOVATIVE FOOD (IVFH)	FOOD PRODUCTS AND SERVICES	0.34	\$5.409	\$62.2	(\$0.716)	39.5	8
06/21(QX)	MACE SECURITY INT'L (MACE)	PERSONAL SAFETY AND SECURITY	0.27	\$0.000	\$13.1	\$0.639	64.5	7
01/22(QX)	MARIMED INC. (MRMD)	MEDICINAL & RECREATIONAL CANNABIS	0.70	\$17.262	\$121.5	\$7.225	335.2	NR
# 02/15(GM)	NOVA LIFESTYLE (NVFY)	FURNITURE MANUFACTURING/SALES	1.48	\$0.000	\$12.8	(\$19.962)	6.1	10
07/21(PK)	PARKS! AMERICA INC. (PRKA)	THEME PARKS AND ATTRACTIONS	0.49	\$4.780	\$11.6	\$2.149	75.1	NR
04/21(CM)	SPAR GROUP (SGRP)	MARKETING SERVICES	1.31	\$0.700	\$100.3	(\$1.779)	21.3	7
12/21(GS)	STEALTHGAS (GASS)	SEABORNE TRANSPORTATION	2.37	\$311.249	\$145.0	\$11.985	38.4	NR
09/19(QB)	TECHPRECISION (TPCS)	METAL COMPONENTS AND SYSTEMS	1.58	\$3.210	\$18.8	\$0.460	34.3	NR
# 06/20(CM)	TOMI ENVIRONMENTAL (TOMZ)	SELL RECOMMENDATION; SEE BELOW						
02/19(QB)	TSS, INC. (TSSI)	END-USER AND ENTERPRISE SYSTEMS	0.40	\$0.000	\$27.4	(\$1.297)	18.9	NR

We recommend only purchasing companies rated 8 or higher. If a company's rating drops, do not sell. For when to sell, refer to the Game Plan on page 2.

Sell Recommendations

After almost two years of lackluster financial results, we are recommending the sale of **TOMI Environmental Solutions (TOMZ)**. Poor management efficiency and an inability to retain major customers prevented the company from reaching even a fraction of its potential.

We are also recommending the sale of **cbdMD (YCBD)** due to outlook for marijuana stocks and its worsening bottom line results. Although the company grew revenues as anticipated, it did not deliver sufficient profits to create shareholder value.

Initially, both TOMZ and YCBD were great performers but no longer offer an incentive for long-term shareholders to stick around.

Category Changes

This month, there are a number of category changes as a result of the earnings results on page 7. Moving up from Cat. 2 to Cat. 1 is **Williams Industrial (WLMS)**. In the weekly newsletter, we talked about WLMS's strong results. These results drove the company's Bowser Rating from 8 to 11.

There are several companies moving down from Cat. 2 to Cat. 3:

- **BAB, Inc.'s (BABB)** Bowser Rating fell from 9 to NR;
- **Mace Security's (MACE)** Bowser Rating fell from 8 to 7
- **MariMed (MRMD)** and **StealthGas's (GASS)** Bowser Ratings fell from 8 to NR
- **Spar Group's (SGRP)** Bowser Rating fell from 9 to 7, and its earnings went from positive to negative.

FOLLOW-THROUGH AND STOCKS TO SELL

WE ENCOURAGE SUBSCRIBERS TO BUY OUR STOCKS WHEN THEY ARE \$3 OR LESS. HOWEVER, WHEN THEY GO ABOVE \$3, WE FOLLOW THEM IN THE FIRST GROUP BELOW. IN BOTH OF THE FOLLOWING LISTS, COLUMN 1 GIVES THE SHARE PRICE AS OF 04/08/22 PLUS THE CURRENT BOWSER RATING. COLUMN 2 IN THE FIRST LIST BELOW INCLUDES THE MONTH/YEAR WE ORIGINALLY RECOMMENDED THE ISSUE, THE PRICE PER SHARE THEN AND THE BOWSER RATING. (NR=not rated)

ISSUE/EXCHANGE SYMBOL	1	2	ISSUE/EXCHANGE SYMBOL	1	2
ARC DOCUMENT SOLUTIONS (N:ARC)	\$3.76(9)	04/19 \$2.22(9)	INNOVATE CORP. (N:VATE)	\$3.69(8)	06/19 \$2.34(12)
BGC PARTNERS (GS:BGCP)	\$3.93(7)	08/20 \$2.89(8)	ONE STOP SYSTEMS (GS:OSS)	\$4.15(7)	12/20 \$2.73(9)
CF BANKSHARES. (CM:CFBK)	\$22.12(7)	03/17 \$9.00(11)	RETRACTABLE TECHNOLOGIES (A:RVP)	\$4.47(11)	01/20 \$1.48(10)
*Price adjusted for 1-for-5 reverse split (Aug. '18)			SAFE BULKERS (N:SB)	\$4.08(8)	05/19 \$1.81(10)
CLEAN ENERGY FUELS (GS:CLNE)	\$7.47(9)	09/20 \$2.57(9)	TABLE TRAC (QB:TBTC)	\$3.52(10)	07/19 \$2.40(10)
CYANOTECH (CM:CYAN)	\$3.02(10)	03/22 \$3.02(10)	WIDEPOINT CORP. (N:WYY)	\$3.49(7)	04/20 \$3.50(8)
DESWELL INDUSTRIES (GM:DSWL)	\$3.71(12)	05/20 \$2.35(9)	*Price adjusted for 1-for-10 reverse split (Nov. '20)		
GALAXY GAMING (QB:GLXZ)	\$5.20(7)	05/17 \$0.69(8)	WAVEDANCER, INC. (GM:WAVD)	\$5.06(7)	03/21 \$2.24(9)

THE FOLLOWING WE SAID SHOULD BE SOLD

(COLUMN 2 SHOWS THE DATE AND PRICE WHEN WE RECOMMENDED THE STOCK BE SOLD)

EVOLVING SYSTEMS (CM:EVOL)	\$1.90	11/21 \$2.74
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BRIEFS

BGC Partners (BGCP) announced that BGC Financial has executed the first ever block trade of Micro Bitcoin options offered by CME Group via its Sunrise brand. . . . **Fluent (FLNT)** expanded its mobile app business and announced a new partnership with independent healthcare advertising company DeepIntent. . . . **Galaxy Gaming (GLXZ)** reached an agreement with John Wicks, creator of Perfect Pairs, to distribute Perfect Pairs Blackjack and Perfect Pairs Baccarat on landbased table games across licensed markets globally. . . . **GSE Systems (GVP)** signed several follow-on agreements with nuclear utility clients, reinforcing GVP's role as a valuable partner for those navigating the zero carbon energy landscape. . . . **Mace Security (MACE)** announced that its board of directors, supported by management, has commenced a process to explore and evaluate potential strategic alternatives for the

company, including continuing as a standalone company, merging with another party or other forms of strategic transactions or alliances. . . . **MamaMancini's (MMMB)** secured new customer authorizations, both in terms of new locations and expansion of existing placements, at tier-1 nationwide retailers to begin shipment in late April 2022. . . . **MariMed (MRMD)** filed a preliminary non-offering long form prospectus with the securities regulatory authorities in the provinces of Ontario and British Columbia. . . . **Safe Bulklers (SB)** announced that the board of directors declared cash dividends of \$0.50 for its Series C and D Preferred Shares. SB also redeemed 1,492,554 of the outstanding 8.00% Series C Cumulative Redeemable Perpetual Preferred shares (par value \$0.01 per share, liquidation preference at \$25.00 per share). . . . **SPAR Group (SGRP)** announced a global partnership with ParallelDots, an artificial intelligence company that provides the most advanced image recognition solution for consumer packaged goods and retail brands. . . . **WaveDancer (WAVD)** hired two new sales executives focused on government and the supply chain. WAVD later entered into a definitive agreement to acquire Knowmadics, Inc., a Software as a Service platform company, for the purchase price of \$90 million. . . . **WidePoint (WYY)** appointed Robert "Bob" George as chief financial officer.

INSIDER TRANSACTIONS

COMPANY	SHARES TRADED	# OF TRADES	PRICE RANGE
Butler National (BUKS)	B-294,118	1	\$0.68
	S-294,118	1	\$0.68
CF Bankshares (CFBK)	D-700	1	\$0.00
Charles & Colvard (CTHR)	B-43,320x	6	\$1.66-\$1.75
Fluent, Inc. (FLNT)	B-30,000	3	\$1.74-\$1.93
Galaxy Gaming (GLXZ)	OE-100,000	2	\$0.63
One Stop Systems (OSS)	A-266,500	6	\$0.00
	S-2,100x	1	\$4.12
INNOVATE Corp. (VATE)	A-278,457	4	\$0.00
	S-16,707	2	\$3.57
WaveDancer (WAVD)	OE-50,000	1	\$0.15
Williams Industrial (WLMS)	B-159,689	8	\$1.65-\$1.83
	OE-130,740	5	\$0.00
WidePoint Corp. (WYY)	D-6,271	2	\$4.44

A-Acquisition (Non Open Market), AB-Automatic Buy, AS-Automatic Sell, B-Bought, D-Disposition (Non Open Market), OE-Option Exercise, S-Sold, x-indirect holdings. Information obtained from Nasdaq.com.

BUCKAROOS SPEAK

What's next for MACE?

What does the MACE news mean for current shareholders?

-Mike K.

Mace Security International (MACE) announced that it is exploring strategic alternatives. Due to the recent decline in income and management change, investors are speculating that there will

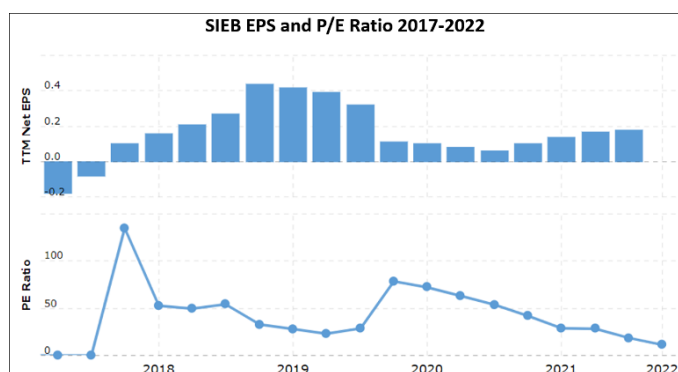
be a merger or acquisition.

Keep in mind that the stock is trading around its book value which adds the risk of a lower buyout premium.

Additionally, it is worth noting that the company has already received third party inquiries and does not intend to publicly comment on the matter until required.

COMPANY OF THE MONTH... CONTINUED

value investors should start taking notice. Below is a chart showing its EPS and P/E ratio since 2017:



EPS has started to trend upward again and the company's P/E ratio has tanked. The divergence between these two metrics offers a unique buying opportunity as long as bottom line growth maintains.

We believe \$1.75-2.10 to be the ideal range for long-term entry for value investors. If revenues start growing at a faster rate, then subscribers can consider paying a higher premium.

Ownership

Insiders currently account for 21.6 million, or 66%, of the outstanding shares. Of the 21.6 million, 18 million are held by controlling shareholder Gloria E. Gebbia. Gloria and other Gebbia family members hold a large portion of the shares and have not made any significant transactions since 2020. We consider this a positive as it lowers the shares available to the public and reassures long-term investors of the company's potential.

Institutional investors own 680,590, or 2%, of the outstanding shares. While this might seem like a drop in the bucket, institutional accumulation has the potential to heavily affect a stock's performance, and we expect institutions to start accumulating shares again as the company creates more value.

Outlook and Risks

Previous recommendation, **BGC Partners (BGCP)**,

is similar to SIEB. BGCP greatly benefited from new investors flooding the stock market in 2020, and the company seized many new opportunities to capture market share. We have similar outlook for SIEB which is in a great position to build value for shareholders. In addition to a strong industry outlook, increasing interest rates should also act as a catalyst for revenue growth.

The acquisition of TD Ameritrade by Charles Schwab changed the industry permanently and has increased demand for smaller brokerages. This makes SIEB a potential buyout candidate because of its consistently positive cash flows and simple business model.

The main risk associated with SIEB is the stock's lack of demand. However, continued value creation *should* turn the tide on this risk.

Employee compensation also adds risk, considering its improving bottom line results are the primary catalyst. The company has \$17.3 billion assets under management and employee compensation rose to \$36.4 million in 2021, up \$7.9 million from the prior year. Therefore, improved asset efficiency and lower management compensation would greatly benefit the bottom line.

Conclusion

Brokerages have been thriving for the past two years, and SIEB has been growing rapidly. Both revenue and net income are trending upward, which makes it appealing for both growth and value investors. The company is expanding throughout the United States, and sales are on the rise. Although management compensation is a little high, we believe the company's value creation is going unrecognized. As long as profits maintain their bullish trend, SIEB shares should bounce back in the long haul.

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Beginner's Portfolio Up 479%

BOUGHT: None this month

SOLD: None this month

	Cost	04/08/22	Cost	04/08/22	Cost	04/08/22	Proceeds	
BOSC	510/Aug '18	602	KTEL	219/Jun '21	200	FPAY	476/Dec '21	310
BUKS	134/Mar '20	188	ARC	530/Aug '21	752	DYNT	210/Dec '21	151
TBTC	587/Feb '21	704	BABB	157/Aug '21	190	GASS	444/Jan '22	474
MNDO	586/Mar '21	558	PRKA	169/Aug '21	97	MRMD	179/Feb '22	140
WAVD	573/Apr '21	1,012	CTHR	586/Sep '21	305	PALT	496/Mar '22	502
IBAL	371/May '21	322	CLRO	300/Nov '21	190	MMMB	314/Mar '22	364
							Current Holdings Value:	7,059
Original cost for all stocks: \$4,766			*Half of original holdings			Proceeds from Sales:	20,533	
							Total Value of Portfolio:	27,592

Gain: 27,592 minus 4,766 = 22,826

Percentage of gain: 22,826 divided by 4,766 x 100 = 478.9

Compound Annual Growth Rate: 8.91%

Comments: **This is a simulated portfolio** for those who would like to actively participate in the stock market... **They want an approach that will serve as a learning situation**... An investment of up to \$600 a month is required... **With each new Company of the Month, 100 shares are purchased until we had 18**... We began using 200 shares each in 2017 to use more cash... We use an internet broker... **We follow the Bowser Game Plan. Portfolio started Sep. '01.**

Beginner's Portfolio Explanation

This month was strong for the Beginner's Portfolio despite the underperformance from small stocks and higher volatility overall. The primary drivers were **Butler National (BUKS)**, +27%, **WaveDancer (WAVD)**, +16%, **MamaMancini's (MMMB)**, +16%, and **BAB, Inc. (BABB)**, +13%. Those gains were partially offset by underperformances from **Int'l Baler (IBAL)**, -17%, **Parks! America**, -15% and **Charles & Colvard (CTHR)**, -13%.

EARNINGS

	Quarter Ended	Current Sales	Same Period Last Year	Current Earnings	Same Period Last Year	Comments
BAB, Inc. (BABB)	02/28/22	\$738,276	\$722,905	\$62,889	\$333,245	
ENGlobal Corp. (ENG)	12/31/21	\$6,961,000	\$11,578,000	(\$3,876,000)	(\$684,000)	
FlexShopper (FPAY)	12/31/21	\$31,093,598	\$28,141,573	\$633,320	(\$418,879)	
Fluent, Inc. (FLNT)	12/31/21	\$99,844,000	\$81,996,000	\$3,830,000	\$178,000	
Galaxy Gaming (GLXZ)	12/31/21	\$5,670,000	\$3,274,000	\$598,384	\$1,179,000	
GSE Systems (GVP)	12/31/21	\$13,871,000	\$12,653,000	(\$1,857,000)	(\$1,469,000)	
INNOVATE Corp. (VATE)	12/31/21	\$394,800,000	\$178,000,000	(\$5,500,000)	(\$8,000,000)	
Innovative Food (IVFH)	12/31/21	\$20,849,332	\$15,137,833	\$1,698,038	(\$1,112,938)	
Mace Security (MACE)	12/31/21	\$2,553,000	\$4,411,000	(\$314,000)	\$446,000	
MariMed Inc. (MRMD)	12/31/21	\$31,044,000	\$20,357,000	(\$6,508,000)	\$4,121,000	
MIND C.T.I. (MNDO)	12/31/21	\$5,966,000	\$5,819,000	\$1,525,000	\$1,390,000	
Nova Lifestyle (NVFY)	12/31/21	\$3,015,069	\$3,536,411	(\$11,456,797)	(\$16,046,569)	
One Stop Systems (OSS)	12/31/21	\$17,777,000	\$13,934,000	(\$386,243)	\$243,860	
Paltalk, Inc. (PALT)	12/31/21	\$3,108,000	\$3,422,000	(\$5,271)	\$531,257	
Retractable Tech. (RVP)	12/31/21	\$59,456,000	\$31,995,000	\$20,924,000	\$11,508,000	
Safe Bulkers (SB)	12/31/21	\$92,441,000	\$52,229,000	\$65,205,000	\$7,614,000	
Spar Group (SGRP)	12/31/21	\$60,023,000	\$59,359,000	(\$4,390,000)	\$2,028,000	
StealthGas (GASS)	12/31/21	\$36,053,396	\$37,294,459	(\$38,732,353)	(\$740,037)	
Table Trac (TBTC)	12/31/21	\$1,893,000	\$592,955	\$754,198	\$195,646	
TOMI Environmental (TOMZ)	12/31/21	\$2,010,033	\$3,654,133	(\$1,659,548)	(\$2,904,312)	
TSS, Inc. (TSSI)	12/31/21	\$14,585,000	\$7,248,000	(\$264,000)	\$637,000	
WidePoint Corp. (WYY)	12/31/21	\$24,452,552	\$28,387,308	(\$574,481)	\$8,284,206	
Williams Industrial (WLMS)	12/31/21	\$79,173,000	\$64,115,000	\$815,000	(\$992,000)	

NOTES BY THE EDITOR

Last month's top performers cooled off and sector rotation played a huge role in stock performance. As mentioned in this issue's front page article, we expect this unusual capital flow to continuously affect our recommendations.

While the Game Plan suggests a passive portfolio management style, subscribers who are comfortable with doing so can consider rebalancing their portfolios to avoid overexposure. Focusing on less expensive companies with healthy



financials has proven to be more effective in this market state.

Additionally, we wanted to acknowledge that multiple underperformers are leaving the newsletter this month. Although this has been a challenging six months for small stocks, we will continue to seek companies that offer high long-term potential.

If you find a stock that you believe deserves to be recommended, please feel free to share it with us by emailing faris@thebowserreport.com.

Speaking of finding stocks, if you are looking for more investment ideas, the latest issue of the *Bowser Database* published recently. Check out www.thebowserreport.com/database/ to learn more! If you'd like to see a sample, email us.

FIVE BOWSER STOCKS UP AND DOWN

Williams Industrial (WLMS)	UP	32%	ENGlobal Corp. (ENG)	DOWN	23%
GSE Systems (GVP)	UP	28%	TSS, Inc. (TSSI)	DOWN	18%
Butler National (BUKS)	UP	27%	Int'l Baler (IBAL)	DOWN	17%
Fluent, Inc. (FLNT)	UP	21%	Parks! America (PRKA)	DOWN	15%
Galaxy Gaming (GLXZ)	UP	20%	WidePoint Corp. (WYY)	DOWN	13%